

THE MYSORE REPRESENTATIVE ASSEMBLY, SUBJECTS DISCUSSED:

GENERAL SUBJECTS.

Of October 1918.

PART I.

FINANCIAL.

(Nos. 1 to 11.)

SUBJECT No. 1.

Deputation of more members from the Assembly to the State Finance Committee.

Messrs. H. Krishnasastri, Venkatasubbiah and Sambugowda, Krishnarajpete Taluk.

Mr. Krishnasastri observed that in this Committee which has been formed recently there is a large majority of official members and said that he should like to have 4 members from the Representative Assembly and 2 from the Legislative Council on it.

Reply of Government.—This request will be granted.

SUBJECT No. 2.

A retrenchment Committee.

Mr. S. R. Balakrishna Rao, B.A., LL.B., Shimoga Taluk.

Mr. S. R. Balakrishna Rao observed that in some departments of the State expenditure is increasing and that it is desirable to retrench it. The old retrenchment Committee had become moribund. He wanted a new Committee with some non-official members on it to consider the question of retrenchment.

The Financial Secretary stated that it is not possible to admit non-official members into the Retrenchment Committee. Some members of the Finance Committee are non-officials. They could propose retrenchment.

The member observed that the Finance Committee met only once a year and it was immediately concerned with the budget and that it would therefore not be able to consider questions of retrenchment.

The Dewan closed the discussion by saying that the functions of the Finance Committee would be amplified so as to include some of those of the Retrenchment Committee. The Finance Committee may meet oftener for the purpose.

SUBJECT No. 3.

Postponement of the levy of income-tax.

Messrs. Padmanna, Chandrasekhariah, Venkatasamiah, Nanjangud Taluk, and Dowlat Hanumiah Setty, Malvalli Municipality.

Mr. Abbas Khan.—The levy of income-tax for which a bill has been recently introduced in the Legislative Council by the Government is sure to cause people considerable hardship and trouble. In British India the tax is a source of much trouble to the people and to avoid it many big merchants from Vaniambadi, etc., have come to our State and established factories, such as tanneries and other business concerns. If the tax is levied here also they will leave our State. The tax itself will give rise

to malpractices and temptations. Respectable merchants will be put to trouble by petty Government officials, and altogether it will be a most harassing measure. Account and other books taken by the officials for calculation of tax will not be returned for months together and all the transactions of merchants would be laid open. What, after all, Government would get from this source is about 10 lakhs. This may be raised in any other way. The opinion of the Assembly was divided and not unanimous on the last occasion. The income-tax bill was not published in the papers. Public opinion on it has yet to be ascertained. Government may convene a meeting of merchants and ascertain their wishes. The merchants will then represent their difficulties.

Mr. Venkatesiah.—The inconvenience of enquiries arises only if the merchant does not state his income. If he states it as some amount, the burden of proving that it is incorrect will fall on the Income-Tax Commissioners.

Mr. S. R. Balakrishna Rao.—The bill was published in the papers, *Sadhvi*, *Vrittanta Patrika*, etc. Only the rules are not published.

Mr. C. S. Balasundaram Iyer.—In France a Committee is formed before which the merchants come and declare their incomes. Those who make a voluntary declaration have no trouble.

Dewan.—The principle of the bill is accepted, and the objection is apparently to the procedure. We shall attend to it later on. Under the regulation those that are not taxed now will be taxed. The procedure of course will have to be regulated. We will note your representation.

Mr. M. Subbiah.—Lawyers, merchants and Government officers do not pay any tax now. Many merchants such as labbeys and marwaris come from foreign parts, make profits of thousands of rupees here and go away. The people of the State are not benefited by such trade. There is no objection to make them pay the income-tax.

Mr. G. Narasimhachar of T.-Narsipur.—When votes were taken on the last occasion many of the members were absent. It is better to take votes now. If the votes are again in favour of the tax being levied the bill now before the Legislative Council may be passed into Law.

Mr. S. R. Balakrishna Rao.—During the last session, some agreed to the levy only on the understanding that education would be made free. If this intention does not exist now, the opinion of the Assembly may again be taken now.

Mr. Anjaneya Setty.—Mysore merchants are free from much trouble to which merchants in British Pro-

vinces are subject, because of the income-tax. If Government need more money they may increase the land revenue.

Mr. Gopalaswami Iyer.—The tax may be levied. It need not be postponed. 'Labbeys and marwaris have got branches in Bombay, Vellore and Madras and other places as well as in Bangalore and income-tax is not new to them. It was also said that merchants would not like to have their account books to be laid open. But they produce their books in civil courts without hesitation. In fact if they keep accounts properly they need have no fear. As to votes being taken a second time, I am of opinion that votes should not be taken. For, then, there will be no finality to Government Proceedings. We would have to go on taking votes every time any one raised any objection. But if votes are taken it might be necessary to make an analysis of the voters to see how many are merchants and lawyers. On the last occasion all land-owners wanted income-tax to be levied. Merchants and lawyers were neutral.

Dewan.—Votes will not be taken.

Mr. Gundu Rao.—This tax will give much trouble to the raiyats. We can postpone this measure for a year and then introduce this bill.

Mr. H. Krishna Sastri.—The question has not come up again for discussion. If we go on discussing in regard to this tax we will take more than three years to come to any definite conclusion.

Dewan.—Postponement of tax is not possible. Much has occurred since last October when this subject was sent and this discussion is a little out of date. The question is not for discussion here. I only wanted to elicit opinion.

Mr. Karnick Krishnamurti Rao.—Now financial settlement is made by departments. Hereafter, as in United States of America, talukwar financial settlement should be made. A certain percentage should be allotted for general administration and the balance divided talukwar.

Dewan.—Some taluks are very poor and they will be starved. This is a bad system of finance. Decentralisation is possible only by the formation of local bodies.

Mr. Karnick Krishnamurti Rao.—Then let Government begin Financial Settlement by districts.

Chief Secretary.—If you want you may ask for some grants from local bodies.

Mr. Karnick Krishnamurti Rao.—If grants are asked for, Government say that there is no money.

Reply of Government.—The proposal is impracticable.

Financial allotments to be talukwar.

Mr. Karnick Krishnamurti Rao,
Magadi Taluk.